Instead of sound budget policies aimed at preparing for the imminent retirement of the baby-boom generation, the Bush administration and the majority in Congress have refused to adopt the kinds of budget enforcement rules that helped achieve fiscal discipline in the 1990s; have pursued an open-ended commitment to rebuilding Iraq that relies on supplemental appropriations rather than the normal budget process; and have remained committed to extending irresponsible tax cuts that will add further to the budget deficit. All of this comes at the cost of destroying greater economic opportunities for most American families.

That, of course, is not what we are hearing from the administration and its supporters, who keep telling us that the economy is doing well, that their tax cuts are an important reason why, and that everyone is benefiting. It should not be surprising that this is not a message that resonates with the American people because, in fact, the current economic recovery has been weaker than the typical business-cycle recovery since the end of World War II, and large numbers of Americans are still waiting to benefit from any economic growth.

This administration touts its tax cuts, but these cuts haven't made a dent in the pocket books of most American families.

The nonpartisan Tax Policy Center estimates that this year's tax cut will only save middle-income families about $55—about what it now costs to fill the gas tank of their minivan. But taxpayers making over $1 million will receive a cut of nearly $38,000—enough to buy a new Mercedes.

Middle and lower income families are paying the price for the President's tax cuts for the wealthiest, as investments in programs that promote greater economic prosperity for ordinary Americans have become candidates for budget cutting.

Regrettably, it is not surprising how under the Republican leadership, low-income families have been abandoned but what is surprising is how the administration and Republican majority in Congress have also squeezed the middle class.

The President has proposed cuts to elementary and secondary education, student aid and loan assistance for higher education, job training for displaced workers, childcare assistance so that parents can go to work, and community development grants aimed at expanding small businesses. The President is also shortchanging investments in research and technologies that will create the high-wage jobs of the future.

Unfortunately, the rising tide is no longer lifting all boats. The benefits of this economic recovery are simply not going to ordinary Americans. Most Americans are concerned that this is as good as economic conditions will get under the Bush economic policies. Our focus should be on strengthening the safety net for American families—whether it is raising the minimum wage or preserving Social Security, pensions, and health insurance coverage.

That is why we need a new direction for America—one that focuses on creating greater economic opportunities for all families.

I ask unanimous consent to have printed in the RECORD the Washington Post editorial dated September 4, 2006.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MR. BUSH AND LABOR DAY—WORKERS AREN'T BENEFITING FROM GROWTH

Emerging from a meeting with his economic team at Camp David on Aug. 18, President Bush declared that "solid economic growth is creating real benefits for American workers and families." This assertion was false. Mr. Bush should use this Labor Day to rethink his rhetoric and adjust his policies.

The latest evidence on what the economy is doing for workers comes from last week's Census Bureau report. This showed that the growth cycle that began at the end of 2001 has in fact created remarkably few benefits for most Americans. Between 2001 and 2005 the income of the typical, or median, household actually fell by 0.5 percent after accounting for inflation, even as workers' productivity grew by 14 percent.

The picture is hardly any better if you consider 2005 alone. Workers' pay usually takes a while to pick up after a recession: In the first stage of a recovery, unemployment falls; in the second stage, a tight labor market pushes up wages. But this second stage is taking an awfully long time to arrive. In 2005, the fourth year of the expansion, the median income did rise slightly, but that reflected a gain for retirees. The typical full-time worker continued to fall backward.

Since 1980 the wages of the typical worker have tended to decline during bad times and recoup the losses during good ones, with the overall result that they've been stagnant. That stagnation, which contrasted with rapid gains for workers at the top, was bad enough. But the recent phenomenon of wages falling even during good times is disturbing and exceptional. In the first four years of the last expansion, from 1991 to 1995, median income rose 2.9 percent; in the two upswings before that, the first four years delivered gains of more than 8 percent. So whereas past presidents could declare that a rising tide lifted all boats, Mr. Bush cannot honestly do so.

The current growth cycle has also failed to dent poverty. In fact, between 2001 and 2005, the poverty rate rose from 11.7 percent to 12.6 percent. Again, this is exceptional: In the previous five economic cycles, the poverty rate fell during the first four years of the recovery. Moreover, 5.4 percent of the population now occupies the ranks of the extremely poor, with incomes less than half the poverty line. That's the highest rate of deep poverty since 1997.

In a speech at Columbia University on Aug. 1, Treasury Secretary Henry M. Paulson, Jr. rightly acknowledged that "amid this country's strong economic expansion, many Americans simply aren't feeling the benefits." Mr. Paulson needs to explain this point to Mr. Bush, who appears to see things differently. But beyond a change of language, the president needs to understand that his tax and spending policies must do more than target growth. If policies do not take inequality into account, the majority of Americans won't benefit from economic expansion—and popular support for free trade and other pro-growth ideas will continue to deteriorate.

VERMONT LAKE MONSTERS

Mr. LEAHY. Mr. President, today I wish to applaud the Washington Nationals and the Vermont Lake Monsters for extending their player development contract for the next 2 years. This new agreement will keep Vermont as the New York-Penn League affiliate for Washington through at least the 2008 season.

Vermont has been the NY-Penn League affiliate of the Montreal Expos/Washington Nationals since joining the league in 1994, and the Vermont-Montreal/Washington affiliation is now the longest current partnership in the league. The Vermont team's on-field success is highlighted by winning the New York-Penn League championship in 1996.

Since beginning the partnership in 1994, Vermont has seen 46 of its players reach the Major Leagues. Eighteen of those 46 players were on Major League rosters during the 2006 season. On top of that, two players have been part of World Series championship teams—Geoff Blum for the Chicago White Sox in 2005, and Orlando Cabrera for the Boston Red Sox in 2004.

While the teams have struggled on the field of late, I am confident that the new Washington ownership will make a firm commitment to bolstering their player development program. The Lake Monsters' owner Ray Pecor and general manager C.J. Knudsen also should be commended for their hard work and dedication in running a top-notch franchise in Vermont. In short order, the Lake Monsters should get back to its winning ways and fans in Vermont and Washington will benefit.

TRIBUTE TO KEN CUNNINGHAM

Mr. GRASSLEY. Mr. President, I want to take this opportunity at the end of a Congress to express may gratitude and best wishes to Ken Cunningham, a long-time friend and staffer who has been like family to my wife Barbara and me for more than 25 years and left my staff a few months ago.

He served me in a number of positions during those years, including chief of staff general counsel, legislative director, and legislative assistant—sometimes juggling multiple positions at once. I used to joke with him about all the titles that he had accumulated.

But now faced with growing family obligations, he has left my staff to set up his own government relations firm.

After 2 years working for former Congressman Tom Tauke, Ken joined my new Senate staff in 1981 to handle several legislative and regulatory areas initially focusing on commerce, telecommunications, transportation, and agriculture. In fact, my very first Senate legislative victories came with Ken's help on the 1981 farm bill.

Ken and his wife Sherry lived near Barbara and me, so he and I would drive to and from work together. We got to know each other well during those commutes and quickly became good friends. It was clear that my new staffer possessed sound judgment, integrity, a strong work ethic, and a passion for serving our constituents.

He worked many years in the Senate before it became popular around here to talk about the need for a ''family friendly'' schedule. And yet Ken found the time and energy to earn his law degree at the Georgetown Law Center. But I knew that I could always count on him to make the necessary sacrifices to get the job done here in the Senate no matter how long the hours. He probably set an office record in the early eighties during the crunch time of an ending Congress. As he juggled several pending legislative issues, he took only 7 hours of sleep for the entire week.

As some know, the devastation of the farm crisis of the middle eighties so discouraged me that I almost did not run for reelection. But Ken, like me, grew up farming. He, too, had friends back home and was likewise crushed by their suffering. He worked tirelessly to help me fight for every bit of relief and assistance possible to help rural Americans through that tragic time.

As partial testament to his effectiveness, when I did decide to run again, and we did some polling, my highest approval ratings came from farmers and their families. And while the farm crisis led to the defeat of many Midwest legislators, I was reelected by a wide margin.

My good friend, former Senate majority leader, Bob Dole, has called Ken Cunningham the smartest staff man on Capitol Hill, and said that I am lucky to have him. Given the number of staffers Senator Dole has known over the decades, that is indeed a remarkable compliment. But Ken has proven time and again that he deserves that reputation.

Ken has always been quick to grasp the complex. He possesses incredible discernment and political instincts. He has an intense competitive spirit.

And he is tenacious—almost as tenacious as me. He probably learned that from me.

Given these positive traits, combined with his understanding of Senate legislative rules and procedure, Ken can be either a great ally, or a most formidable opponent.

Let me give you an example.

Ken's expertise and qualities proved crucial in reversing a devastating tax legislation defeat handed to us by the House of Representatives, led by then-Ways and Means Chairman Bill Archer, during consideration of the 1997 reconciliation bill.

Chairman Archer and big oil had long despised tax incentives for ethanol, one of America's few energy independence success stories, and the source of billions of dollars of income and thousands of jobs for rural Americans and farmers.

By using reconciliation to kill these tax incentives and thus creating tax savings that protected other popular programs, Chairman Archer had devised and executed a plan to kill these tax incentives that were procedurally and politically virtually impossible to stop. He rammed it through his committee and then rammed it through the full House of Representatives.

Pro-ethanol allies in both the House and the Senate faced what seemed like one of those ''deer-in-the-headlights'' moments.

As the Senate Finance Committee prepared to take up the reconciliation package, farm and renewable fuels groups looked to me to lead the fight. But cracking reconciliation's procedural nut at this point was a daunting challenge at best.

Ken, however, formulated a legislative response that overcame these obstacles. One Finance Committee tax counsel wryly characterized it as ''clever.''

The amendment was designed not only to stop Chairman Archer's handiwork, but also to extend the ethanol tax provisions by several years. This was a bold move for a number of reasons, not the least of which was the fact that it drew opposition from both the Finance Committee's chairman and ranking Democrat.

The political obstacles were even more challenging than the legislative and procedural.

Many Democrats were outright giddy with the prospects of taking back control of Congress by blaming Republicans for the loss of the ethanol program and the resulting harm to rural America.

In recognition of this temptation, Ken recommended a particular Democratic cosponsor who, though not recognized as the most experienced in these battles, we felt would fight hard against political gamesmanship. He also devised a plan that did not depend upon the Clinton administration's help to ensure success.

I will never forget how quickly the loud chortling of the big oil lobbyists fell silent as they were stunned the night my amendment passed the Senate Finance Committee by a vote of 16 to 4.

And to the amazement of many, we fought to a draw during the 1997 reconciliation battle. Both Chairman Archer's and my provisions were dropped in conference. We then braced for Chairman Archer's next attack that came with the 1998 highway bill. This time, however, Speaker Gingrich quietly assured me that if we could get my tax amendment passed once again in the Senate, he would find a way to help me in conference.

As the time came close for the House/Senate conference, the Speaker had not yet said what he would do to help. Ken explored a number of ideas. It was common practice for House committee chairmen to designate members of their party and committee to attend conferences. But researching House rules, and seeking confirmation from the House Parliamentarian, Ken determined that the actual power of appointment resides with the Speaker.

We approached the Speaker to suggest that he consider exercising this power. And indeed, that is ultimately what the Speaker did: he appointed pro-ethanol House conferees, and my legislation extending the ethanol tax incentive prevailed, while the Ways and Means chairman's language to kill the program was dropped.

When I became the new chairman of the Senate Finance Committee, Mark Prater, the committee's chief tax counsel, told me that this was by far the biggest victory he had witnessed of me. It was unheard of and astounding for a mid-level member of the Finance Committee to defeat, as I did, a Ways and Means chairman on one of his top priorities.

Mr. President, even House Speaker Gingrich was amazed as the dust settled and we emerged victorious. Addressing a group of my constituents, the Speaker characterized legislate battle as, and I quote, ''the substance about which great novels are written.''

I will be first to acknowledge and express gratitude for all the help that many, many people provided in this fight, but I am convinced that we would have lost and there would be no ethanol program today had Ken Cunningham not come up with the right analyses and solutions at each and every critical juncture.

Over the years, Ken helped me at one time or another in just about every area of legislation and committee assignment, but he also contributed greatly to my office as a manager—first as legislative director and then as chief of staff.

He is very good with people—tactful and empathetic. He is firm, but always fair and even-handed. He has a way of bringing calm and resolution to tensions and conflict among staff. He is a good problem solver, teacher, and coach.

It is said that actions speak louder than words. And although I am not at a loss for words of praise for Ken, I think one of my last acts before he left speaks volumes about my confidence in Ken's judgment, loyalty, friendship.

I asked him to find and hire his own replacement—someone who was just as good with the same experience. I knew he would not let me down, and I think he did a pretty good job on that last assignment.

Ken has a wonderful wife and four growing boys. Barbara and I extend our blessings and best wishes for Ken and his family. And we have absolute confidence that he will be successful in his new business.

We miss seeing him at the office every day but know we will always be close friends.

So, Ken, to a valued public servant and a trusted friend, Barbara and I say thank you for your long-standing service to Iowa and the U.S. Senate.

BANKRUPTCY REFORM

Mr. GRASSLEY. Mr. President, I rise today to discuss the impact of Public Law 109–8, the bankruptcy reform legislation of which I was the lead sponsor here in the U.S. Senate. On October 17, 2006, we will see the one-year anniversary of the new law. This law was the result of many years of comprehensive study and intense debate in Congress. There was much give and take among all interested parties over several Congresses, and the final bill that was signed into law was the result of compromise, upon compromise, upon compromise. In fact, people tend to forget that this law passed both the House and Senate by wide bipartisan margins. It is a law that was sorely needed. It is a law whose central premise—if an individual wants to file for bankruptcy and can repay some of his debt, he should do just that, repay some of that debt—is supported by almost everyone. The law's central premise is about fairness. It is about good old common sense.

The bankruptcy reform legislation was driven by a desire to restore balance to a system that had become too easy: a system where clever lawyers gamed the integrity of the bankruptcy system for the benefit of those who wanted to get out of their debts scott-free and to the detriment of those who played by the rules. In fact, bankruptcy rates in the 1990s and early 2000 timeframe exceeded bankruptcy rates during the Great Depression, despite the fact that the economy was going strong during much of this time. So with this law we closed some loopholes, made upper-income Americans repay more of their debts if they were going to seek bankruptcy, and enacted important consumer protection provisions so people could be more knowledgeable about their finances. The law retained bankruptcy for those who truly are in need of that relief, while injecting more integrity and fairness in the bankruptcy system.

So how has the new bankruptcy law worked? So far, I think it is too soon to make firm judgments. But early reports indicate the new law has been working very well. We have seen bankruptcy rates fall dramatically from about 2 million bankruptcies in 2005 to the point where I doubt there will be over 1 million bankruptcies in 2006, if current trends continue. In my mind, this is bound to help the American economy. Fewer bankruptcy filings lead me to believe that only those individuals who truly are in need of a fresh start are filing for relief. Furthermore, a natural outgrowth of fewer bankruptcy filings is a much lower cost to the American consumer and the U.S. economy.

As my colleagues may recall, the Clinton administration's Treasury Secretary, Larry Summers, told Congress that high levels of bankruptcies tend to push up interest rates. I have called that the ''bankruptcy drag'' on the economy. It is just common sense. When a business loses money because a customer files for bankruptcy instead of paying his bill, that business has a couple of options: Either the business can absorb the loss and spend less on growth and expansion or the business can increase what it charges other customers to offset the loss, imposing what many of us in Congress called a bankruptcy tax. It follows that businesses can weather the storm when the occasions where customers don't pay their bills are relatively rare, but when you have a scenario where filing bankruptcy is easy and customers are filing bankruptcy on a regular basis—whether they really need it or not, no questions asked—and they aren't paying their bills, well, then businesses get into trouble. Unfortunately, businesses that don't get paid aren't the only ones impacted by this.

The reality is, either way, ultimately it is the consumers and the economy that suffer the most when bankruptcies spiral out of control. People who play by the rules and pay their way are the ones who end up picking up the tab. I would rather see the ''bankruptcy drag'' reduced, freeing up businesses to grow, add jobs, and contribute to the Nation's economy and the people's prosperity. I would rather see the $400 ''bankruptcy tax'' burdening American families each year reduced so they can spend their money in a more productive way. And based merely on the bankruptcy filing numbers available from the Federal courts, I think that it is fair to say that Public Law 109–8 has been a success for our economy. Public Law 109–8 has driven a stake through the heart of this bankruptcy drag.

I have struggled with how to put a dollar figure on how much bankruptcy reform has saved the economy since it became the law of the land. During Congressional debate, we received testimony that the average amount discharged in bankruptcy is $41,000 per filing. If one does some simple math, taking the total number of consumer bankruptcies filed in the first half of this year and doubling that number, it seems we could see about 550,000 consumer bankruptcies in 2006—perhaps a little more, perhaps a little less.

As I said, the Federal courts reported that we had just over 2 million consumer bankruptcies filed in 2005. So using the $41,000 figure, bankruptcy losses cost our economy $82 billion in 2005. On the other hand, it looks as if, because of the new law, bankruptcy losses for 2006 will only be about $22.5 billion. Let me repeat: $82 billion in 2005 and $22.5 billion in 2006 after the law was put in effect.

We are not talking peanuts. That is a substantial savings for our economy. That is around $60 billion that would have been lost, that would have put a drag on our economy. And I am confidant that at least some of that money has been or will be redirected to economic growth. If this isn't success, I don't know what is.

It is also important to remember the unprecedented new consumer protections included in the new bankruptcy law. Let me mention some of them. Retirement savings receive more protections from the reach of creditors. Likewise, education savings also receive enhanced protections under the new law. And lenders who won't compromise with financially-troubled borrowers can be penalized for not negotiating out-of-court settlements.

People considering filing for bankruptcy now have access to no-cost or low-cost credit counseling and financial education. We want people who make bad financial choices to learn how to deal with their finances and quit the spending cycle. After all, better educated consumers are a benefit to everyone. The law even encourages education of young people on how to manage their money. And credit card companies are required by the new law to warn consumers about the dangers of making only minimum payments and to clearly identify payment amounts.

Moreover, bankruptcy mills that deceived people into filing for bankruptcy when they had other options available are now subject to new regulation. People should be aware that bankruptcy is not the only way out in times of financial trouble. Even a Federal Trade Commission Alert warned against bankruptcy mills and advised the American consumer that filing for bankruptcy adversely affects an individual's credit rating. Bankruptcy should be a last resort, rather than the first stop in regaining one's financial bearings.

So, all in all, Public Law 109–8 contains some of the most sweeping consumer protections enacted by Congress in a long time.

Of course, as I said earlier, it is too early to gauge the full impact of Public Law 109–8. Bankruptcy attorneys so frightened consumers by exaggerating the impact of bankruptcy reform that many consumers rushed to file prior to enactment of the law. And after the law was enacted, many consumers who truly need bankruptcy were scared away.

Some of the consumer protections contained in the law—such as minimum-payment warnings for credit cards and the like—have not yet been implemented by the Federal Reserve.

Also, the debtor attorneys who want to operate bankruptcy mills are seeking to get out from under the new regulations by claiming in court to have a constitutional right to advise consumers to run up debt on the eve of bankruptcy and not comply with the new law. I am pleased that the Justice Department is aggressively resisting this effort. These lawyers just want a license to go back to their old ways of making a quick buck by shuffling unsuspecting consumers into bankruptcy without advising them of the